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Arizona Corporation Commission

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Support for the TEP 2016 REST Plan

AZ CORPORATION COMMISSION
DOCKET CONTROL

03/16/16

Chairman Little, Commissioner Burns, Commissioner Stump, Commissioner Forsee, and
Commissioner Tobin,

Custom Solar and Leisure has been part of the TEP Residential Solar Program roll out that has been very successful, while having zero impact on the private residential solar market. We have helped implement this program using best practices and local contractors, who in turn directly support the local economy. It helps TEP meet its renewable energy requirements while providing a positive public image, and it primarily helps its customer's go solar without any of the concerns than that of a purchased or financed system, but also without the most of the financial benefits that a privately owned system has to offer as well. I am writing to express my support of this pilot program, and to ease any concerns that this program is either unfair competition or a poor use of funding.

We have asked each customer if they were interested in other options, and while some did want to compare to a private offer, all of them to date have either chosen to go ahead with the program and its very modest savings (typically \$2-\$10/month), or have decided that it was not enough of a benefit to proceed. On many occasions, the program has approved customers who may have needed many more panels than could be fit on the roof, so these customers would not have otherwise chosen to go solar based on their house orientation or layout. On many other occasions, the homeowner wanted to go solar but was not able to qualify for credit to purchase or lease, so this was the only way to go solar for them. In other cases, the customer just did not want to risk their investment into new technology amid a policy crisis in the solar industry, so this program was the only choice that offered some benefit to themselves, while feeling good that they are contributing to their community. We also have had many customers choose not to go solar, because they did not want to lease or purchase

despite the better financial benefits, and did not think that this program had enough incentive to want solar equipment installed on their home. This program is great for anyone who wants to go solar, but does not or cannot purchase or lease one otherwise, and therefore has not impacted the private market at all.

The only other reason I could see opposition to this program continuing would be that a utility scale plant would be a more efficient use of funds. While this basic fact is true, it has been determined by TEP that the ancillary benefits of a residential distributed generation (DG) solar program outweigh the additional costs. These benefits include: positive public image with TEP promoting renewable energy at the residential level, all of the grid benefits provided by DG, support of the local economy, and offering a choice to buy energy from a renewable source situated on their own property.

While the timing of this program is not great with many solar companies and prospective customers extremely concerned about the uncertainty in solar net metering programs around the state, it is an entirely separate program with many benefits to TEP, it's customers, and the local contractors and their local employees and suppliers. This program should be allowed to continue as requested by TEP in the 2016 REST implementation plan. Please disregard any other parties, including you own staff, claiming that this is either unfair competition or a poor use of funds.

Thank you,

Jeff Shoemaker, Owner

Custom Solar and Leisure LLC

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